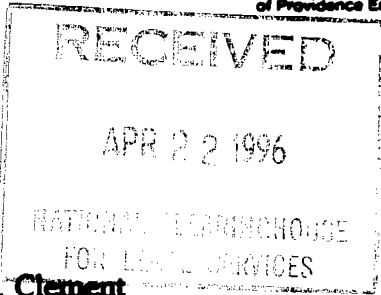


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February 14, 1996

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PUBLIC UTILITIES COMMISSION

Ms. Leslee J. Clement
Acting Commission Clerk
Rhode Island Public Utilities Commission
100 Orange Street
Providence, RI 02903

Re: Docket No. 20% I n t & m

Dear Ms. Clement:

Enclosed &r filing please find a revised Proposed Low Income Assistance Program ("LIAP") for the 1995-1996 Heating Season, reference to which is made in the Second Amendment to Settlement Agreement filed yesterday in this Docket. As discussed with Commission staff the revised LIAP provides that the Company's contribution of up to \$800,000 would be funded through the Company Share of Actual Savings (as determined at § 1.3.1 of the Settlement Agreement for the First Term Year thereof), without provision for a customer surcharge, as previously proposed. Such funds would supplement the existing low income payments made in accordance with PIPP program eligibility determinations of the Rhode Island State Energy Mice. If the Settlement Agreement, as amended, were approved in this docket, the Company would propose to withdraw its pending petition in Docket No. 2394.

Very truly yours,

A 1 2 k t . t 2 * +
Vice President, General Counsel
and Corporate Secretary

ALG:der
Enclosure

cc: Patricia French, Esq.
Paul Roberti, Esq.

PROPOSED LOW INCOME ASSISTANCE PROGRAM
FOR THE 1995-1996 HEATING SEASON

1. Both PIPP participants and nonparticipants who elect to go on budget billing would be eligible to participate in the Petitioners' proposed low income program.

2. PIPP nonparticipants who elect to go on budget billing would be granted a total amount of Eighty-Five Dollars (\$85.00), which would be credited to their accounts each month upon payment of the customers' budget installment amount, resulting in a monthly credit of Seven Dollars and Eight Cents (\$7.08) per month. This amount will supplement the One Hundred Dollar (\$100.00) grant provided to PIPP nonparticipants by the State Energy Office.

3. With respect to PIPP participants, ProvGas would contribute twenty-five percent (25%) of each participant's monthly copayment amount. The amount would be credited to the customer's account month over a twelve-month period upon payment of the customer's copayment.

4. The amount available for payment to eligible customers will not exceed Eight Hundred Thousand Dollars (\$800,000.00).

5. Pursuant to § 1.3.3 of the Company's Integrated Resource Plan Settlement Agreement, the dollar amounts provided by ProvGas for this program would be funded through the Company Share of Actual Savings (as determined at § 1.3.1. of the Settlement Agreement) for the First Term Year thereof.

Summary of Providence Gas Company's Low Income Assistance Program

- The Company would contribute twenty-five percent (25%) towards each PIPP participant's monthly copayment amount upon receipt of the customer's payment.
- The Company would contribute approximately \$7 towards each PIPP nonparticipant's monthly bill upon receipt of the customer's payment.
- Total shareholder contribution would not exceed \$800,000.
- The program applies to Providence Gas customers as qualified in accordance with the Rhode Island State Energy Office PIPP guidelines.
- The program is only in effect from October 1995 - September 1996.

EXAMPLES

Participants:

AMIal bill	s1,080
cu!Homerpayl.mlt	s 492
State contriion	S 420
PGC coatriition	S 168

Non-participants:

Annualbill	\$924
Customer payment	\$739
State contribution	Sloe
PGC contribution	s 05